

Remarks

The Office Action mailed February 26, 2004 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-20 and 22 are now pending in this application. Claims 1-22 stand rejected. Claim 21 has been canceled.

The rejection of Claims 1-10 under 35 U.S.C. § 101 because the claimed invention is not supported by either a specific and substantial asserted utility or a well established utility is respectfully traversed.

The Office Action suggests at page 2 that “the claimed invention do [sic] not produce a useful, concrete and tangible result therefore they are nonstatutory.” Applicant respectfully traverses this suggestion. More specifically, Applicant submits that the claims of the present patent application are directed to practical applications in the technological arts. “Any sequence of operational steps can constitute a process within the meaning of the Patent Act so long as it is part of the technological arts.” *In re Musgrave*, 431 F.2d 882 (C.C.P.A. 1970). For example, independent Claim 1 is a method directed to re-marketing collateral used to secure a group of non-stationary asset-based loans wherein the group of non-stationary asset-based loans are included within a distressed loan portfolio. Applicant submits that re-marketing collateral used to secure a group of non-stationary asset-based loans is a useful process that is considered to be within “the technological arts”.

One specific example of such a method implementation is a computer with a processor programmed to access a collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio, analyze the borrowers’ payment behavior after initiating at least one collection strategy, compare each of the borrower’s payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower, access a re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans, and access the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans. While the claims are not

limited to the specific examples related to a computer with a programmed processor, the claims need not be so restricted to satisfy the requirement of Section 101.

Applicant further traverses the assertion included in the Office Action that Claims 1-10 are directed to non-statutory subject matter under Section 101 in light of the “Examination Guidelines for Computer-Related Inventions”.

The Examination Guidelines for Computer-Related Inventions provides in relevant part as follows:

In order to determine whether the claim is limited to a practical application of an abstract idea, Office personnel must analyze the claim as a whole, in light of the specification, to understand what subject matter is being manipulated and how it is being manipulated. During this procedure, Office personnel must evaluate any statements of intended use or field of use, any data gathering step and any post-manipulation activity....Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under § 101. Further, when such a rejection is made, Office personnel must expressly state how the language of the claims has been interpreted to support the rejection.

Applicant respectfully submits that Claim 1 is limited to a practical application in the technological arts. Furthermore, Applicant respectfully submits that the Office Action does not expressly state how the language of Claim 1 supports the Section 101 rejection.

Claim 1 is a method directed to “re-marketing collateral securing a group of non-stationary asset-based loans”. Thus, Applicant submits that Claim 1 is directed to a useful process that is considered to be within “the technological arts”. Furthermore, Claim 1 recites a “method for re-marketing collateral securing a group of non-stationary asset-based loans using a computer system configured with a collections model and a re-marketing model”. The method includes “utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio...utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets...and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral

for the uncollectable loans.” Thus, Claim 1 uses a computer system configured with a collections model and a re-marketing model to perform certain steps of the process. Claim 1 is therefore directed to a practical application in the technological arts.

Dependent Claims 2-10 depend from independent Claim 1, and these dependent Claims are submitted to satisfy the requirements of Section 101 for the same reasons set forth above with respect to independent Claim 1.

For at least the reasons set forth above, Applicant respectfully requests that the Section 101 rejection of Claims 1-10 be withdrawn.

The rejection of Claims 1-22 under 35 U.S.C. § 103(a) as being unpatentable over Forbes (U.S. Patent No. 6,249,217) in view of Vig (U.S. Patent No. 6,038,554) is respectfully traversed.

Applicant respectfully submits that neither Forbes nor Vig, considered alone or in combination, describe or suggest the claimed invention. As discussed below, neither Forbes nor Vig, considered alone or in combination, describe or suggest a method for re-marketing collateral securing a group of non-stationary asset-based loans that includes utilizing a computer and a collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio wherein the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from the borrowers, and wherein the non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans.

Furthermore, neither Forbes nor Vig, considered alone or in combination, describe or suggest initiating at least one of the plurality of collection strategies with respect to the borrowers, analyzing the borrowers’ payment behavior after initiating the at least one collection strategy, comparing each of the borrower’s payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower, and deeming a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower’s payment behavior comparison.

Moreover, neither Forbes nor Vig, considered alone or in combination, describe or suggest utilizing the computer and a re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets, and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

Forbes describes a method of securing collateral for a loan wherein the collateral is a vehicle. The method includes installing a transmitter within the vehicle. The transmitter is capable of transmitting location data regarding the vehicle. The status of the loan is monitored for a default condition. A data link is established from a base terminal to the transmitter of the vehicle upon an occurrence of the default condition in the loan status. Location data is transmitted from the transmitter of the vehicle to the base terminal via the data link. The location of the vehicle is determined from the location data transmitted to the base terminal. The vehicle can then be confiscated.

Vig describes a computer-assisted valuing system for discovering both an entity's actual current societal monetary value and its contemporary monetary worth specifically to the inquiring individual person, group or corporation. The system provides a user with such target entity's retail and wholesale prices along with its true worth and specific value to the explorer. The system employs as a yardstick the NORM, which is the hypothetical unit in any group that is accurately calculated to be both precisely average in every one of its collectively discoverable characteristics and its price. The system compares any test unit in that group on a natural, quantified point basis to obtain such precise current monetary worth of any such test unit, employing an organic application of inductive statistics, accurate sampling, central tendency, and statistical inference. The system draws conclusions about surveying a constantly and factually representative community (such as the United States, 1999, for example). The system enables a prospective trader to compare the contemporary monetary values of any and all competing units in or out of any probed group, regardless of such competing units' respective current prices.

Claim 1 recites a method for re-marketing collateral securing a group of non-stationary asset-based loans using a computer system configured with a collections model and a re-marketing model wherein the group of non-stationary asset-based loans is included within a distressed loan portfolio, the method includes “utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio, the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from the borrowers, non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans...initiating at least one of the plurality of collection strategies with respect to the borrowers...analyzing the borrowers’ payment behavior after initiating the at least one collection strategy...comparing each of the borrower’s payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower...deeming a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower’s payment behavior comparison...pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans...utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets...and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.”

Neither Forbes nor Vig, considered alone or in combination, describe or suggest the method recited in Claim 1. More specifically, neither Forbes nor Vig, considered alone or in combination, describe or suggest a method for re-marketing collateral securing a group of non-stationary asset-based loans that includes utilizing a computer and a collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio wherein the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from the borrowers, and wherein the non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans.

Furthermore, neither Forbes nor Vig, considered alone or in combination, describe or suggest initiating at least one of the plurality of collection strategies with respect to the borrowers, analyzing the borrowers' payment behavior after initiating the at least one collection strategy, comparing each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower, and deeming a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower's payment behavior comparison. In fact, it does not appear that any of the cited references are directed at initiating collection strategies and then analyzing a borrower's payment behavior after initiating the collection strategies.

Moreover, neither Forbes nor Vig, considered alone or in combination, describe or suggest utilizing the computer and a re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets, and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

Rather, in contrast to the present invention, Forbes describes a method that includes installing a transmitter within a vehicle that serves as collateral for securing a loan, wherein the transmitter is capable of transmitting location data regarding the vehicle to a base terminal such that, if the loan is defaulted, the vehicle can be easily located and confiscated; and Vig describes a computer-assisted valuing system for discovering both an entity's actual current societal monetary value and its contemporary monetary worth specifically to the inquiring individual person, group or corporation. Accordingly, Applicant respectfully submits that Claim 1 is patentable over Forbes in view of Vig.

For at least the reasons set forth above, Applicant respectfully submits that Claim 1 is patentable over Forbes in view of Vig.

Claims 2-10 depend from independent Claim 1 which is submitted to be in condition for allowance. When the recitations of Claims 2-10 are considered in combination with the

recitations of Claim 1, Applicant submits that dependent Claims 2-10 are also patentable over Forbes in view of Vig.

Claim 11 recites a system for re-marketing collateral securing a group of non-stationary asset-based loans included within a distressed loan portfolio, the system includes at least one computer, and a server configured with a collections model and a re-marketing model, wherein the server is configured to “access the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio, the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from the borrowers, non-stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans...analyze the borrowers’ payment behavior after initiating at least one the plurality of collection strategies...compare each of the borrower’s payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower...deem a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower’s payment behavior comparison...pursue repossession of the non-stationary assets used as collateral for the uncollectable loans...access the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets...and access the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.”

Neither Forbes nor Vig, considered alone or in combination, describe or suggest the system recited in Claim 11. More specifically, neither Forbes nor Vig, considered alone or in combination, describe or suggest a system for re-marketing collateral securing a group of non-stationary asset-based loans included within a distressed loan portfolio that includes a server configured to access a collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio, wherein the collections model is based on historical payment information of the borrowers and a plurality of collection strategies that may be utilized for collecting payment from the borrowers, and wherein the non-

stationary asset based loans include at least one of automobile loans, vehicle loans, and credit card loans.

Furthermore, neither Forbes nor Vig, considered alone or in combination, describe or suggest a server configured to analyze the borrowers' payment behavior after initiating at least one the plurality of collection strategies, compare each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower, and deem a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower's payment behavior comparison. In fact, it does not appear that any of the cited references are directed at initiating collection strategies and then analyzing a borrower's payment behavior after initiating the collection strategies.

Moreover, neither Forbes nor Vig, considered alone or in combination, describe or suggest a server configured to access the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets, and access the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

Rather, in contrast to the present invention, Forbes describes a method that includes installing a transmitter within a vehicle that serves as collateral for securing a loan, wherein the transmitter is capable of transmitting location data regarding the vehicle to a base terminal such that, if the loan is defaulted, the vehicle can be easily located and confiscated; and Vig describes a computer-assisted valuing system for discovering both an entity's actual current societal monetary value and its contemporary monetary worth specifically to the inquiring individual person, group or corporation. Accordingly, Applicant respectfully submits that Claim 11 is patentable over Forbes in view of Vig.

For at least the reasons set forth above, Applicant respectfully submits that Claim 11 is patentable over Forbes in view of Vig.

Claims 12-20 and 22 depend from independent Claim 11 which is submitted to be in condition for allowance. When the recitations of Claims 12-20 and 22 are considered in combination with the recitations of Claim 11, Applicant submits that dependent Claims 12-20 and 22 are also patentable over Forbes in view of Vig.

In addition to the arguments set forth above, Applicant also respectfully submits that the Section 103 rejection of the presently pending claims is not a proper rejection. Obviousness cannot be established by merely suggesting that it would have been obvious to one of ordinary skill in the art to modify Forbes using the teachings of Vig. More specifically, as is well established, obviousness cannot be established by combining the teachings of the cited art to produce the claimed invention, absent some teaching, suggestion, or incentive supporting the combinations. It is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the prior art so that the claimed invention is rendered obvious. Specifically, one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. Further, it is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.

As the Federal Circuit has recognized, obviousness is not established merely by combining references having different individual elements of pending claims. Ex parte Levensgood, 28 U.S.P.Q.2d 1300 (Bd. Pat. App. & Inter. 1993). MPEP 2143.01. Rather, there must be some suggestion, outside of Applicant's disclosure, in the prior art to combine such references, and a reasonable expectation of success must be both found in the prior art, and not based on Applicant's disclosure. In re Vaeck, 20 U.S.P.Q.2d 1436 (Fed. Cir. 1991). In the present case, neither a suggestion or motivation to combine the prior art disclosures, nor any reasonable expectation of success has been shown.

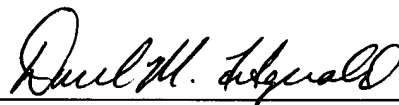
Neither Forbes nor Vig, considered alone or in combination, describe or suggest the claimed combination. Rather, the section 103 rejection of Claims 1-22 over Forbes in view of Vig appears to be based on a combination of teachings selected from multiple patents in an attempt to arrive at the claimed invention. Specifically, Forbes teaches a method that includes

installing a transmitter within a vehicle serving as collateral for securing a loan wherein the transmitter is capable of transmitting location data regarding the vehicle to a base terminal such that, if the loan is defaulted, the vehicle can be easily located and confiscated; and Vig describes a computer-assisted valuing system for discovering both an entity's actual current societal monetary value and its contemporary monetary worth specifically to the inquiring individual person, group or corporation. Since there is no teaching nor suggestion for the combination of Forbes and Vig, the Section 103 rejection appears to be based on a hindsight reconstruction in which isolated disclosures have been picked and chosen in an attempt to deprecate the present invention. Of course, such a combination is impermissible, and for this reason also, Applicant requests that the Section 103 rejection of Claims 1-22 be withdrawn.

For at least the reasons set for above, Applicant respectfully requests that the Section 103 rejection of Claims 1-22 be withdrawn.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,



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